Publication Extracts Which Present Diversified Viewpoints On The Question

WHAT IS THE CHIEF CAUSE OF THE FARM DEPRESSION?

Discussion Series C. - No. 1

-------Introductory Note------

The publication extracts brought together in this form represent an effort to provide assistance for organizations and individuals in conducting county and other forums on questions of interest to rural people. They will be helpful particularly to persons preparing to present or take part in forum discussion.

U. S. Department of Agriculture

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GENERAL CAUSES

General Resumé:--Leonard P. Ayres

"When war comes, and commodity prices mount, the prompt result is a great wave of prosperity for the farmers. For some time their production costs increase but little, and the increases in the prices received for crops are almost all profit. Under such conditions of very rapid price advances the doubling of the amount received for a crop of given size may well result in a tenfold increase in farmer profits. The next development is a great speculation in farm lands, the plowing up of additional fields, the use of profits to buy more land, and a large increase in farm mortgages. Production is sharply stepped up.

"This period proves rather difficult for the city dwellers, for while industry and trade are brisk, and everyone can find work, the cost of living is high, wages do not advance nearly so rapidly as prices, and industrial disputes are frequent as pay advances are demanded. However, toward the end of the war, or shortly thereafter, commodity prices reach their peak and turn down. With the price deflation comes business depression for rural and urban dwellers alike. After the Civil War this came in 1865, as soon as hostilities ceased, but after the World War the primary post-war depression did not come until 1921. With the depression comes a collapse of the farm land boom, and the farmers find themselves burdened with the heavy mortgages placed at the earlier high land prices.

"When this primary post-war price deflation and primary post-war depression have run their course, there ensues a period of urban prosperity. Food is now relatively cheap in the cities, for production has increased more rapidly than demand. Food constitutes a large part of the cost of living of the industrial workers, and when food prices decline more rapidly than wages the result is a period of hard times for the farmers, but of prosperity for city people. The world was moving through such a period from the depression of 1921 to the end of the prosperity in 1929. Two characteristic developments mark a period of that sort. The first is a boom in city real estate, with great activity in building construction, stimulated not merely by the prevailing economic prosperity of the city dwellers, but also by the making up of the building shortages that accumulated during the previous war period of inflated prices. The other development is general speculation in almost everything except commodities.

"A period of this sort can last a long time, but eventually, it destroys itself. The real estate boom and the construction boom run to excesses. General speculation creates fictitious values. There comes a time when the country districts, with their diminished purchasing power, can no longer consume their normal proportion of the goods produced by the cities. Then comes a secondary decline in commodity prices, a collapse of city real estate values, and the secondary post-war depression, afflicting urban communities and country districts alike. During this secondary depression wages, prices and profits for both city dwellers and country people are painfully jarred and jolted back into a working adjustment that enables the nation, or the nations, to make progress in the long task of paying off the accumulated indebtedness.

"Back in 1920, when prices were at their peak, Vice President Marshall made the wise remark that what this country really needed was a good five-cent cigar. What it needs now is some well-trained economists who are 200 years old.

"If we had some wise, well-trained and studious economists 200 years old and still in the full possession of their powers, they would have lived through and observed the post-war sequence of business developments three times prior to this one. After having seen business follow the same type of pattern three times during and following great wars, they probably could have warned us about what was going to happen following the World War.

"The same sequence has been followed before in earlier war and post-war periods, but this time the whole world is involved. Instead of thinking about it in terms of country districts and city populations, we must remember that this time it affects whole nations, and almost all nations, all over the world. Our troubles are not the result of some mysterious and hitherto unsuspected weakness in our social system, nor can they be cured by adopting a five-year, or ten-year, or twenty-year plan of reorganization of our industries, our banks and our commerce. The true lesson of this depression is that we cannot afford any more great wars."

"The True Lesson Of This Depression"
Col. Leonard P. Ayres,
Commerce and Finance, No. 38,
September 23, 1931, P. 1373.

Historical Resumé:--G. W. Forster; W. C. Weldon

"The farmers' economic problem, which in recent years has become so important, began to take form in the Colonial Period. Prior to the Revolutionary War agricultural production in this country was guided largely by policies laid down in Great Britain. Trade restrictions of one kind or another were placed upon agricultural exports, more especially on wheat, because England cherished hopes of self-sufficiency in the production of many of the crops produced in this country. The only important crops the production of which was encouraged by Great Britain were cotton and tobacco. This encouragement was given because these crops together with others which were produced in the Southern colonies supplemented rather than conflicted with the agriculture in England.

"The successful conclusion of the Revolutionary War did not,....... bring immediate relief. New difficulties arose of one kind or another. The Napoleonic War.... gave rise to an increasing demand for the products of American farms, and prices of many of our farm products rose rapidly. The Napoleonic War was followed by the rapid development of industrialism in Europe and more particularly in Great Britain. The industrial revolution changed the original attitude of Great Britain towards the use of American products from one of restriction on imports to one of free trade. In other words, England gave up the idea of agricultural self-sufficiency and began to develop rapidly the production of industrial products. For these industrial products other countries, particularly American, were encouraged to exchange agricultural products of one kind or another. In this manner the

prices of agricultural products, which declined rapidly following the War of 1812, began to advance beginning as early as 1830, but more particularly after 1843.

"The advance in prices thus begun reached zenith during the Civil War. At the completion of the War, prices again receded and continued to fall for a number of years. In fact, these low prices continued until after the turn of the century, although there is evidence of a definite up-turn as early as 1896. Considerable discontent during this prolonged period of low prices was evidenced among farmers in the West about 1875 and a little later. At this time the Grange movement sprang up; farmers of the entire nation united in the 80's and 90's in the Populist party for the free-silver movement, lower freight rates, revised banking, etc.--all evidences of discontent with farm prices.

"Prices of farm products in the United States during this period were determined to a large extent by the prices obtained for that part sold in Europe. These prices were low because in order to sell any products abroad it was necessary to undersell the European farmers, and in addition, to sell through tariffs in many countries.

"The rapid expansion of agricultural production, begun in the latter half of the nineteenth century, tended to slacken in the early part of the twentieth century. Exports dropped off considerably and a much larger proportion of the agricultural production found a market in the rapidly developing industrial centers in the United States. Prices were considerably higher and farmers as a class were well-satisfied. Outside of the agricultural class, however, there were many who viewed the situation with alarm. Agricultural production had ceased to increase. To some this meant an impending 'food famine.' A 'back to the farm' movement was started, and a 'country life commission' created to study and devise means of maintaining agriculture as the foundation and the basic industry of the nation. The idea of an impending shortage of food was fallacious. Expansion on new lands had to stop sometime, and an industry which had out-run itself for so long needed a chance to catch-up, as it were. Just what the consequences of this trend would have been is, of course, a matter of conjecture. The World War made such pressing demands upon agriculture than an entirely new trend in production became manifest. With the whole of Europe engaged in war, unprecedented demands for food, clothing, and munitions were made on America. Our entry into this war intensified these demands and led to extremely high prices and an unbelievable expansion in agricultural production. Farm profits rose, land prices rose to new heights, in fact everything rose under the inflated prices and stimulated demand.

"This brief and sketchy outline brings us up to present conditions."

"The Agricultural Problem" -- Social Forces, Vol.XII
G. W. Forster and W. C. Weldon,
March, 1934 -- Pp. 359-360.

Four Categories:--Schuyler C. Wallace

"The factors which have contributed to the farmer's plight fall, for the most part, into four categories: overproduction, loss of foreign markets, diminution of demand in the domestic markets, and excessively high fived operating charges."

"Today's Lessons in Government" -- Today
Schuyler C. Wallace
November 25, 1933 -- P. 20.

Changes Come Slowly:--E. A. Stokdyk

"This is some recognition that there is a deeper problem than efficiency in the agricultural problem. It is recognition of the fact that adjustments to changed conditions take place slowly. It is a realization that when capital is once committed to certain lines of production it is a slow and painful process to withdraw it. Producers who have once put their funds in certain enterprises can better afford to take a half or a quarter of an egg than an empty shell. In other words, it is more profitable to attempt to get something out of an enterprise already undertaken than to shift to a new one.

"The foregoing situation is particularly significant in agriculture. A grain combine is of little use in a sugar beet field even though sugar beet production might appear highly profitable. The equipment for livestock enterprises is valueless in a truck garden. In short, agricultural enterprises once undertaken are difficult to stop."

"Who is Inefficient Now?" -- California Cultivator
E. A. Stodyk
December 3, 1932 -- pages 355 and 364.

No More Frontier

"In major depressions of the past the tendency has been for the unemployed to move in great numbers out to the western frontier to take up land and wrest a living from the soil. In the present situation, however, there is no frontier to which to go. The good land of America has all been taken up. What remains is, for one reason or another, marginal--incapable of being successfully farmed under normal conditions.

"It requires capital to go farming now and capital is one thing the great majority of the unemployed lacks. Experience in the specialized forms of present day agriculture is another.

"There can be no great back-to-the-land movement."

"There is No Frontier" -- Editorial
The Montana Farmer
November 1, 1932.

A Psychological Factor:--James Truslow Adams

"There is also a psychological factor present of a precisely opposite sort among the general mass of men. There has always been a marked, and, for the smooth running of human society, a helpful difference in outlook between the young and the old. There was in the past, however, no such difference in experience between the men in their twenties and thirties and those in their seventies and eighties as there is today between the former and men even in the fifties. I am barely in the latter class, yet my boyhood was spent in a world in which there were no automobiles, scarcely bicycles; in which the telephone was rare in private houses and not indispensable even for a Stock Exchange firm; in which gas and bathtubs were luxuries, and electricity just coming into general use; in which there were no radios, gramophones, movies, and the thousand and one things considered necessities today. I have often wondered how the new generation, to whom most of these things were the commonplaces of their childhood, would act in the new world if deprived of any of them. I am now beginning to find out.

"It is not simply that youth is in the saddle, with lack of experience and perspective. Aside from the depression of 1920 (which most have forgotten as an episode between war-brides and Coolidge prosperity), our last panic was 1907. As a partner in a Stock Exchange firm, I recall fighting my way through it, paying 120 percent for loans at one of the reputable New York banks, and buying cash to pay my clerks at a premium of 5 percent over checks out of my own bank account. In looking up three of the writers who are now described as among "the intellectual leaders' of today in the magazines, and who are telling us how intolerable the present situation is, I find that one was eighteen, one seventeen, and one thirteen in 1907.

"But it is more than lack of personal experience of even such a minor crisis as 1907 which divides the new generation from mine. It is that they have never before known a world other than one of rising prices, new luxuries, and prosperity. In various passages in his fascinating book, The Revolt of the Masses, Ortega comments on the attitude of the new man who has inherited the new civilization of things and ease. 'The world which surrounds the new man from his birth,' he says in one place, 'does not compel him to limit himself in any fashion, it sets up no veto in opposition to him; on the contrary, it incites his appetite, which in principle can increase indefinitely.' And again, 'If the traditional sentiment whispered; 'to live is to feel one-self limited, and therefore to have to count with that which limits us,' the newest voice shouts: 'to live is to meet with no limitation whatever and consequently, to abandon oneself calmly to one's self.'' 'This type which is to be found everywhere, and everywhere imposes his own spiritual barbarism, is, in fact, the spoiled child of human history. The spoiled child is the heir who behaves exclusively as a mere heir.'

"Without wishing in the least to talk Pollyanna nonsense, which I have always decried, or to minimize the serious new economic factors in the present crisis, I believe that that crisis in part appears much worse to all of us than it may well be because of this "spoiled child" attitude toward life on the part of the mass of us. When I was a partner in a prosperous young Stock Exchange house, I never dreamed of having a car. Now in at least one State the operation and possession of a motor car does not

the operation and possession of a motor car does not prevent the owner from receiving poor relief!"

"America's Real Job"
James Truslow Adams,
Scribner's - April, 1933.

Too Much Saving:--A. G. McGregor

"Saving and investing in productive enterprises to the extent that more goods are produced than the consuming masses have buying power for must result in over-production, unemployment and falling prices.

"Falling prices create apprehension about the future. Fear of more unemployment, lower incomes and business losses, and the possibility of better bargains later, all tend to reduce spending.

"The inability of the economy of the past to cope with a mal-distribution of the return from industry has been its weakness!

"When too much saving and investment in capital goods brings about over-production and falling prices, there is a free-for-all scramble on the part of employers to keep solvent, which leads them to reducing prices and expenses, including wages and salaries, which in the end constitute the important buying power for each other's products. When over-production and falling prices show on the horizon, the rough-and-tumble economy of the past operates to make a bad situation worse."

"Treat The Cause of Depression, Not The Symptoms"
The McGregor Plan -- A. G. McGregor,
1934 -- P. 7.

Neither Spend Nor Save Too Much:--F. W. Taussig

"A sudden burst of all-around spending is not the remedy for the present distresses. It means that a pace is taken which cannot be kept up. It means a spurt, and then a halt. If everyone does this, more goods are suddenly sold than before, dealers replace their stocks, producers turn out what seems to be wanted--and then the thing drops. People cannot buy continuously in this way; and it is continuity, a settled and steady movement of goods from producer to consumer, that brings the needed readjustment. The more the action is hurried, the more it is pumped up and unspontaneous, the less it is deliberate and discriminating--the worse are the after effects. It is precisely the fevered and excessive buying of the boom period, often pumped up by advertising and by instalment payments, that was among the cuases of the collapse and our present troubles. That also meant a pace by consumers which could not be kept up. A grand orgy of expenditure is a dangerous stimulant, likely to be followed by a relapse. This course leads not toward readjustment, but toward more maladjustment.

"But the extreme opposite is no better. The consumer is sometimes advised to refrain from spending--to practice more thrift, forethought, caution. True,

you should live within your income, and should be very careful about mortgaging your future income. But do not suddenly hoard or stint. It is as bad to slow up suddenly as to speed up suddenly. That, also, is spasmodic, discontinuous, deranging. It is like putting on the brakes abruptly and stopping the car with a jolt. And, if we all go to the extreme of actually hoarding--if we all put cash in a stocking or a safe-deposit box--we withdraw just that much from the channels of monetary circulation, and still further derange the whole economic mechanism.

"In the main, then, the consumer should follow the even tenor of his way. Let him buy what he needs, what he wants, what he can pay for. At this present time, the consumers are confused, blocked, hesitating. Many of them, indeed, as we know too well, have to face reduced incomes; not a few have no incomes at all. But it must be remembered that, while there are large numbers who have less to spend than two years ago, or even nothing to spend, the work of the world does go on. The great majority are still consumers and buyers. Let them turn their purchases to the things which are of continuing interest and value to them. The producers will then see what it is possible to put on the market regularly and continuously, and what they can sell at a decently paying price, not for a month only, but year in and year out."

"Proposed Roads to Economic Recovery"
F. W. Taussig,
Lecture in National Advisory Council Radio Series.

DEBTS

Historical Resumé:--Leonard P. Ayers

"In this year of 1932 the world is oppressed by a mass of debts incurred when the prices of goods, lands, services and securities were high. Now the prices are low and the debts remain. Their weight is greatly increased by the lower prices. The mortgage on a house and the taxes are harder to pay when the rent must be reduced in order to attract tenants. The bank loan secured by a stock holding increases in weight when the price of the stock has collapsed and the dividends have been suspended. Municipal debts become more serious burdens when tax values shrink and taxpayers default.

"These are some of the reasons why we are justified in characterizing this as a debt depression while recognizing the fact that it is also a price deflation depression. There have been two somewhat similar depressions in our past history. The first came in the 40's and lasted for six years. It followed a period of great credit inflation and of unrestrained speculation in land. Wholesale prices declined 38 percent as compared with the drop of 38 percent in this depression. The Bank of the United States failed. Some 33,000 merchants failed with liabilities of $440,000,000.

"A long list of states repudiated their debts. Later on all of them except Mississippi paid in whole or in part. In 1842 there were widespread demands that the Federal Government should assume all state debts, but legislation providing for this failed to pass. Laws were passed in the western states to prevent property being sold for debt. Many states passed what were known as extension laws by which the payment of debts was postponed. In 1841 Congress passed the Bankrupt Act by which any person could become free from debt by assigning his property. Many thousands took advantage of its provisions, but it was found that doing so ruined a businessman's credit, and the act was repealed after two years.

"Our other debt depression came in the 70's, and it also lasted six years. Commodity prices declined 38 percent, as they did in the 40's, and as they have in this depression. The Stock Exchange closed for ten days. More than 50,000 firms failed, and most of the railroads went into insolvency. Interest was defaulted on upwards of a billion dollars of rail bonds, about one-third of which were owned in England. Ten states repudiated state bonds of a value of about one hundred and sixty million dollars. Congress passed a greenback inflation bill, but President Grant vetoed it. That depression also followed a period of great credit inflation and speculation, and it was increased in severity by the deflation caused by the return to the gold standard which had been suspended during the Civil War."

"Debt Depressions" - Commerce and Finance,
Col. Leonard P. Ayres,
October 19, 1932.

Foreign Debts:--Arthur Capper

"Now let us get down in black and white a few facts about foreign trade, because they cannot be ignored. Before the World War this country owed to creditors in European countries about 200 million dollars a year of interest. Following the war Europeans and European governments owed to this Government and in this country some 500 million dollars annually in interest. Before the war Europe was willing, even glad, that we should pay those interest charges with commodities, mostly foodstuffs. We had an export trade because we had an export market.

"Following the war, with the shoe on the other foot, we refused to accept 500 million dollars worth of European commodities a year in payment of interest. Instead we insisted they pay in cash, and we continued to send our commodities to Europe, also to be paid for in cash.

"Our financiers--who turned out after all to be only salesmen who were ignorant of the basic principle that trade is an exchange, not merely a sale--thought they solved the problem when they arranged huge loans to Europe. But when we ceased lending, Europe ceased taking our goods. We lost our export trade because there was no export market."

"Finding Facts and Facing Realities"
Arthur Capper,
Capper's Farmer -- April, 1934, P. 1.

Farmers' Debts:--R. L. Adams

"The data thus indicate changes for the decade 1920-30 as follows:

1. A slight but inconsequential increase in the number of farms mortgaged, accompanied by a small increase in the total number of farms.

2. Practically no change in the percent of mortgaged farms to total farms.

3. An increase--about 5 percent--in the amount of mortgage indebtedness.

4. Five of the eleven western states bearing the burden of the increase in mortgage indebtedness.

"But this doesn't tell the whole story because the higher mortgage burden in 1930 rested on mortgaged farms having a lesser value--$1,922,842,653 in 1930 vs. $2,060,748,903 in 1920, a drop of nearly $38,000,000.

"This means that in 1920 the average mortgage debt was 31 cents per dollar of value while in 1930 it was nearly 35 cents per dollar. Up to 1930, then, the actual mortgage situation was not so serious.

"Today, if Californian experiences are typical, the shrinkage in land values--and hence equities--is greater by a considerable amount than in 1930,

and causes correspondingly greater worry and mounting inability to pay.

"Evidence that ability to pay has dropped is indicated by the value of total production of all cereals in these eleven states. The data show:

Summary	1919	$439,345,964
	1929	270,725,082
	Decrease	$168,620,882

"The major difficulty lies in the low prices that now move farm commodities. This is an insurmountable obstacle at present. Coupled with low prices are high taxes. Taxes have not decreased very much in the four states with which I am familiar, notwithstanding that this subject has had much serious consideration.

"Given conditions of a slight increase in the total amount of indebtedness, couple with this a marked falling off in the basic value of lands and permanent improvements, and weighted down with serious declines in incomes, the result is a rapidly mounting list of delinquencies and foreclosures. Low prices for farm commodities, as I have already mentioned, are the primary cause of much of the trouble. If the gross income isn't sufficient to pay bills incurred for living and for farm operating expenses and yet provide enough more to pay interest on debts and to meet installments due on principal, then someone suffers. Eventually if payments are deferred the lenders come into possession of the delinquent farms."

"Farm Mortgage Situation"
R. L. Adams,
Journal of Farm Economics -- October, 1932.
Pp. 606, 607.

Economic Laws Must Be Servants:--Henry A. Wallace

"Economic laws must be taken into account, but as servants, not masters. Personally, I believe the law of supply and demand is as immutable as the law of gravitation. Because of this I believe there should be economic engineers who understand the quantitative measurements of supply and demand under varying types of competition just as we have mechanical and civil engineers to measure the working of the law of gravitation under varying conditions. There is no more reason why we should bow down and worship the law of supply and demand and the high priests of the speculative markets than there is for us to take a similarly helpless attitude toward the law of gravitation."

"We are More Than Economic Men"
Henry A. Wallace.

Concentration of Purchasing Power:--Wells Wells

"In normal times, the wage-earners of America receive less than 55 percent of our national income, and this includes the salaries of highly paid executives who reinvest large portions thereof in capital fund. It follows,

therefore, that at least 45 percent of our national buying power is, even in normal times, concentrated in a comparatively few people. This group cannot appreciably increase its consumption of food, clothing, and other economic essentials and its capacity for luxuries is also limited.

"There is no reason to fear the mere possession of wealth by the Few, but the concentration of buying power in the Few is a disaster for both the Few and the Many. Nor is it necessary that the Few content themselves with lesser profits. Economic law operates in sympathy with the uninterrupted increase of wealth in the Few--but not upon a ratio of 45 percent to 55 percent. The ratio of profit-distribution is the hidden cause of the spiral of diminishing returns."

"Capitalism Has Never Been Tried."
Wells Wells,
Scribner's,
April, 1933.

Purchasing Power From Investment:--C. S. Burton

"Our country's huge investment in its agriculture is estimated at fifty-eight billions of dollars--the largest aggregation of capital in a single industry in all world history. The reduced purchasing power currently accruing from this investment constitutes one of our major economic problems."

"Farmers Themselves Can Solve Agriculture's Present Dilemma"
C. S. Burton,
The Magazine of Wall Street,
December 10, 1932.

Too Many People Are On the Farm:--A. G. McGregor

"The present farm problem will be solved only by a demand in other industries for workers now on the farms. A shortage of workers on the farms, which will encourage labour-saving and permit higher prices for farm products and higher wages and higher standards of living for farm workers, is the solution of the farm problem."

"Treat The Cause of Depression, Not The Symptoms"
The McGregor Plan -- A. G. McGregor,
1934 -- Pp. 28-29.

Produced Must Be Consumed:--A. G. McGregor

"The best interests of all concerned, including the high cost producers themselves, demand that no business should be allowed to live which cannot pay wages and salaries on a scale that will permit what is produced to be consumed."

"Treat The Cause of Depression, Not The Symptoms"
The McGregor Plan -- A. G. McGregor
1934 -- P. 32.

FEAR

Lack Of Confidence:--Thomas Gibson

"Then 'What's the matter?'

"There are several things the matter--maladjustment of all kinds, unscientific taxation, the continued and enormous waste of labor and materials for armaments, unbalanced reparations, ridiculous legislative measures having for their purpose the repealing of immutable economic laws, and, above all things, lack of confidence. It will be observed that in all the quoted matter included in these articles, which has been carefully limited to the views of observers whose opinions are entitled to respectful consideration, the absence of confidence has been the dominant note. Fear as to the future has resulted in enormous shrinkage in the values of even sound securities, in hoarding and runs on banks, in reduced production and consumption, and, of course, in wild rumors and hysterical alarm. The desire for goods has not been eliminated. Unemployment has to some extent reduced individual purchasing power, but fear as to the future has done much more to voluntarily curtail buying and consumption of goods. The restoration of confidence would quickly change all this and would bring hoarded money back into circulation, inspire new construction and expansion, and increase the demand for labor."

"What's the matter?"
Thomas Gibson,
Financial World,
October 28, 1931.

INTERNATIONAL SITUATION

No Agricultural Outlet:--John T. Flynn

"Americans sometimes think so narrowly of America as the great agricultural country that we overlook almost completely the important fact that this world is an agricultural world. Wherever you go outside the United States, with the exception of England and a few small western European countries, the farm and the open field are dominating everywhere. The oldest countries are the most completely given over to farms.

"In all the countries of Europe the various governments are attempting to force their people to produce enough grain for their own uses. And this has resulted in two sets of problems both of which come home with vital importance to the American farmer. These grow out of the two kinds of countries involved in this new movement. One group does not now raise sufficient wheat and is determined to do so, and is hence closing its frontiers to the wheat of its neighbors. The other group raises more wheat than it needs and is now faced with a surplus with no markets in which to sell it.

"The government is not overmuch concerned about this as a farm problem. The whole thing is a financial problem. The American farmer might well learn a lesson from this significant fact. In Europe the whole farm question, including the grain problems, is not a farm question at all, but one of national finance and national defense. When the American farmer stops talking about farm relief, which is a proposal to give relief to one class of people, and gets his problem fitted into the general financial one of the nation, he will make more progress.

"The average American seldom thinks of Europe as a producer of wheat. The United States, Canada, Australia, the Argentine--these, he supposes are the great wheat-producing countries. Yet Europe produces more than all of these put together. France yields at least as much as the Argentine. Italy produces more than Australia, and Russia must now be reckoned as back in its old place as the greatest wheat-producing nation in the world.

"This confusion about Europe arises out of the situation which grew up during the war when that continent almost ceased to count as a grower of wheat. Before the war Europe was able almost to provide herself with bread. Now she is nearly able to do the same thing again. But in the meantime other countries continue to grow that vast surplus of wheat which they were induced to grow when Europe, for a brief space, ceased to produce her own bread.

"Now, what has all this to do with the American farmers? We like to boast that America can, if called upon, feed the world. But we might do well to pause and ask why America should try to do it, since the world is now taking excellent measures to feed itself. For six years now whole libraries have been written about the industrial renaissance of the Old World, how it is ready to adopt America's machine methods and challenge our industrial supremacy. That is true. But we have been so much interested in this that we have completely lost sight of her challenge to our agriculture. This challenge is not, like the industrial one, something for the future, It is

here and must be dealt with.

"So far as grain is concerned American farmers must understand, first, that almost all the countries of the world are now arranging to provide for their own wants and, second, that the agricultural world is being organized against them. The only market upon which the American farmer can depend is the home market. He must fight for the others."

"It's A Farming World"
John T. Flynn,
Country Home,
July 1931, Pp. 45, 47, 48, 49.

International Relationships Are Not Severe Enough To Cause Depression:--T. Gibson

"At such times as the present, the trouble is not limited to misunderstanding and failure to recognize the curative effects of a return to sanity and sound methods. Such real evils as exist are grossly exaggerated and the possible or probable dire consequences are magnified. As an example of this we may consider first the popular views regarding our position in world trade. According to a recent compilation made by Dr. Wilford I. King, Professor of Economics at the New York University, our total net gain from commerce with other nations does not exceed more than two or three percent of our national income, which is about the normal rate of domestic increase. Dr. King's views do not differ much from those of other economists who are able to look at the situation in a detached manner, as will be seen by his conclusions.

"'Available evidence seems to indicate that the principal force now making the business depression persist everywhere is the cloud of pessimism which enshrouds all the leading nations. If we can free ourselves from this pall, there seems to be no reason why we cannot attain a high degree of prosperity in the United States, regardless of business conditions in Asia, South America, or Europe.'

"Neither Dr. King nor any other economist of note will claim that satisfactory world conditions do not make for better domestic conditions. What is deplored is the wildly exaggerated ideas bearing on this phase of the situation. The prevalent alarm leads to all sorts of inconsistencies.

"Again, Great Britain must undergo a radical change in her methods of production before she can successfully compete with us in many lines. In this connection the National City Bank of New York points out in its October letter that Great Britain's cotton industry has 679,000 ordinary looms and only 14,000 automatic looms, while the United States has 134,000 ordinary looms and 565,000 automatic looms. In the iron and steel industry Great Britain had in 1928 632 furnaces in operation, only 32 of which had a capacity of 100 tons or more. In the United States there were at the same date 292 furnaces, of which 274 had a capacity of 100 tons or more. The output of coal per worker in the United States in 1927 was 966 tons. In Great Britain it was 281 tons. In these and allied industries we need not fear competition until there is a decided change in methods.

"Increased imports from European countries would no doubt have had effects on some of our industries, and very good effects on others. If conditions in Europe improve, the demand for many of our raw materials would be sharply increased. The gains would probably more than offset the losses. Making due allowance for all the real evils of the situation, it appears safe to say that in nine cases out of ten the apprehension over European affairs and the probable effects on our own financial and mercantile affairs is due to misunderstanding or exaggeration, or a combination of the two."

"What's the Matter?"
Thomas Gibson
Financial World,
October 21, 1931, Pp. 9, 28.

MECHANIZATION

Has Caused Unemployment:--Henry I. Harriman

"Even during times of great prosperity there was a steady increase in the number of the unemployed. It is estimated that the number of the unemployed was 1,500,000 in 1923; 1,775,000 in 1925; 2,000,000 in 1927; and from 3,000,000 to 5,000,000 in 1929. This same period saw the largest increase in productive capacity ever recorded, to wit 54 percent, yet this record in efficient toil was accompanied by a total factory force smaller by more than a million persons in 1929 than in 1923. While wages rose and while the hours of work decreased, yet the shadow of want hung over the land because of a gradual increase in the number of men displaced by the machine and a failure of the consuming power of the nation to keep up with the nation's ability to produce goods."

"The 7,000 shoemakers of ancient Rome took five and one-half days to make 7,000 pairs of shoes. Today the same number of men working in modern shoe factories will turn out over 600,000 pairs. For fifty centuries brick makers averaged about 450 bricks per day per man. Today in a modern brick plant one man will produce 400,000 bricks in eight hours. In the days of John Adams one man produced 25 tons of pig iron in a year. This was a good output. Today a man in the same line of industry will annually produce 4,000 tons of pig iron, and his fellow workers on the Mesabi range, will each dig 20,000 tons of iron ore in a twelve-month period, as against 800 tons a century ago. Take if you will the manufacture of cigarettes. Today a single machine will produce more cigarettes in a minute than 5,000 smokers can consume in an hour. Take again the case of incandescent lamps, where one man in one hour is producing as many lamps as one man produced in 9,000 hours only a score of years ago.

"I could go on indefinitely citing instances where the machine plus power has increased many fold the ability of man to produce what men want. But the striking thing to remember in all these instances is that the power to produce goods with a small number of men has advanced as much in the past fifteen years as it had in the preceding one hundred and fifty years."

"The Essentials of Economic Security"
Henry I. Harriman,
Address--Meeting American Farm Bureau Federation
December, 1932, Pp. 6, 7

Mechanization Has Not Reduced Employment:--George F. Warren

"Having accepted the erroneous idea that overproduction is the cause, many unemployed engineers have turned to economics with about the same success that economists would have in building bridges. They have been deluded by the apparent efficiency in factories into thinking that the needs of humanity can be supplied by a few hours of work per week. Division of labor leads to erroneous conclusions as to increases in efficiency, because only a part of the process is visible. A farmer with a tractor, tractor equipment, a combine, and a truck, is able to grow and harvest much more wheat than was for-

merly grown per farmer. The increase in efficiency is far less than is assumed, because there has been a change in the residence of those whose time is required to produce the wheat. Many invisible persons are involved in the production of machinery and fuel that the farmer uses.

"Statements are commonly made of the spectacular increase in the output of shoes per worker in the shoe factory. These are misleading. The labor on a pair of shoes includes a part of the time of the persons growing cattle and handling, marketing and skinning them, labor involved in the handling and shipping of leather. Some workers must make the machinery used in these industries, others must make the buildings and the building materials involved in this endless process. Still others must finance the business. Back of these, there is the mining of coal, the building of railroads and of electrical lines and electrical equipment, and the production of cotton and tanning materials. To complete the process, the shoes must be shipped and sold at retail. This involves the time of more bank clerks, railroad employes, traveling salesmen, retail salesmen, delivery boys, store builders, and paper-box manufacturers, and further fuel and light. Finally the shoes are fitted to the buyer's foot. No mass production has done away with the consumer's desire to try on several pairs. It is not probable that any sudden decrease in the time required has occurred in the complete process."

"Depression--What To Do About It"
George F. Warren,
The Ohio Farmer,
April 29, 1933.

<u>Mechanization In Transportation</u>:--Schuyler C. Wallace

"The radical transformation of our system of transportation as a factor in the diminution of the demand for agricultural products in the domestic market has frequently been overlooked. The automobile and the tractor have replaced the horse and the mule. In so doing, they have undoubtedly developed a demand for steel, gasoline and other basic commodities. But unfortunately, so far as the grain farmer is concerned, they have reduced tremendously the markets for his oats. Old Dobbin was a faithful friend in more ways than one."

"Today's Lessons in Government" -- Today
Schuyler C. Wallace,
November 25, 1933 -- P. 20.

<u>Mechanization Caused Trouble in California</u>:--John Wesley Coulter

"The present critical situation with regard to wheat farming in the Lockwood and Hames Valley districts was brought about partly by the use of machinery which the farmers could not afford, and which, in many cases, they did not know how to operate properly. Tractors costing $2,000 are being used on farms where horses could be used more economically. Most of the farm machinery of these wheat areas is idle for at least six months of the year. A farmer generally buys a tractor on an instalment plan of payment, and in many cases he is forced to borrow from a local bank the money with which to

make the payments as they fall due. Experience in learning how to operate some of the machinery has proved costly. There are 'breakdowns,' and hired help is paid for time spent in the shade while a mechanic from 'town' makes the necessary repairs. The replacement of worn-out parts is a considerable expense. There is a large gasoline bill to be met for the period of operation. A salesman for a large tractor company said to the writer regarding farmers in these districts, 'They don't know how to operate tractors profitably.' A young farmer's mother asserted, 'Our troubles started when we got a tractor.' Two farmers in Hames Valley were persuaded to buy a tractor by a salesman who declared the use of such a machine would increase the yield of wheat per acre. They were not familiar with the operation of a tractor and it cost them three dollars an acre for seeding alone; even then the crop was not well sown. A neighboring farmer who used horses did similar work at a cost of fifty cents an acre. A farmer in the Lockwood district recently decided to lease his land because his tractor and other farm machinery had worn out; he concluded that if he purchased a new outfit he 'would be paying for it during the rest of his life.' A bank in King city owns a tractor and a combined reaper and harvester which were turned over to it by a farmer who could not repay the loan with which he bought them."

"A Critical Situation In Wheat Farming Districts"
John Wesley Coulter,
Economic Geography,
January 1929.

Mechanization is Desirable:--E. A. Stokdyk

"As a matter of record, agricultural efficiency has increased remarkably. Dr. E. Dana Durand estimates that the output per worker on the farm increased 57 percent between 1900 and 1927. Between 1920 and 1927, the increase in output was 27 percent. This increase in efficiency has equalled that of industry.

"From a social point of view the increase in efficiency in agriculture and in industry is desirable because prosperity for the masses is measured ultimately in the abundance of goods and services which they enjoy. This is perfectly obvious; yet, some would have us believe that increased efficiency is to be dreaded."

"Who Is Inefficient Now?"
E. A. Stokdyk,
California Cultivator,
December 3, 1932.

Science Is Needed In The Economic System:--Henry A. Wallace

"It is not the fault of science that we have piles of unused wheat on Nebraska farms and tragic breadlines in New York City, at one and the same moment. Rather it is because we have refused to apply science to the development of social machinery, machinery that will regulate our economic system to the end that what we produce can be equitably divided.

"I have no patience with those who claim that the present surplus of farm products means that we should stop our efforts at improved agricultural efficiency. What we need is not less science in farming but more science in economics. We need economic machinery corresponding in its precision, its power and its delicacy of adjustment to our scientific machinery. Science has no doubt made the surplus possible, but science is not responsible for our failure to distribute the fruits of labor equitably. We must charge that failure squarely up to organized society and government."

Henry A. Wallace,
Address at Franklin Institute, Philadelphia,
May 9, 1933.

<u>Mechanization Is An Economic Benefit</u>:--Thomas Gibson

"A gradually declining trend of prices is not an evil. It would be idle to contend that processes which tend to create abundance at a smaller expenditure of money and labor are anything but economically beneficial. Yet in every period of depression we find much contorted reasoning on the subject. The period itself, and not the principles involved, is responsible for this confusion of thought. When the machine age began there were extensive riots and much actual smashing of machinery, as one may easily discover by examining the history of the British labor 'guilds.' But a century later it was discovered that while machines were doing the work of ten, fifty, or a hundred men, wages and the standard of living had advanced, and that there was, in normal times, less unemployment than every before."

"What's the Matter?"
Thomas Gibson,
Financial World,
September 30, 1931.

MONEY

Money Is The Medium Of Exchange:--George F. Warren

"By specialization, each of us produces so much of something that each of us can have more of everything. The battery that keeps this modern machine running is the medium of exchange--money. When money is stable in value, the machine works well. When inflation occurs, it runs too fast. When deflation occurs, it stalls. Since the exchange of goods is stopped, unemployment occurs and there is starvation in the midst of plenty.

"The millions of unemployed in cities would like to produce goods that the farmers want in exchange for food. The farmers would like to exchange food for things that these unemployed persons would gladly produce. But the medium of exchange has broken down. It has also broken down as between workers within the cities. The unemployed carpenter would like to build a house for the unemployed textile worker, who, in turn, would like to make textiles in exchange for house rent. But since the exchange system has broken down, both are unemployed. In some cases, we have reversion to barter, but our civilization is too complex to allow this to go far.

"Most of us believe in a society organized on the basis of individual initiative; that is, a capitalistic society. The operation of such a society depends on the medium of exchange. When the medium of exchange fails to function, the organization of society that depends on this medium is attacked. If we cannot invent a stable measure of value, there is danger of forcing some kind of a socialistic state that will attempt to regulate distribution by government action.

"When the battery of an automobile fails to function, we should get a new battery rather than turn to a wheelbarrow. If we are to discard automobile transportation, it should be on the merits of the automobile and not on the accident of a defective battery. If we are to adopt state capitalism, socialism, or communism, it should be on the relative merits of these systems rather than because of a failure of the medium of exchange to function properly. The thing to correct is not the organization of society but the tool that is not working properly.

"The depression is not a business cycle, altho several violent business cycles can occur before adjustment is made to the collapsed price structure.

"Once upon a time, a farmer found that he could get 23 hogs for 60 sheep. At a later time, he found that it required 120 sheep. Why the change? If there were time to question you individually, some of you would say that there were too few hogs. Others would give the correct answer, that we do not know. There might have been too many sheep or a reduced demand for them; or there might have been too few hogs or a high demand for them. There are many other possibilities. There might have been a shortage of both sheep and hogs but a greater shortage of hogs; or there might have been a surplus of both sheep and hogs but a greater surplus of sheep. The only way to determine the cause of the changed relation is to compare sheep and hogs with many other things. Suppose we find that hogs exchange for twice the former

amount of innumerable things. Who would then be so foolish as to attempt to explain the changed ratio as due to the supply of sheep? But if we change the 23 head of hogs to 23.22 grains of gold and change the sheep to pounds of wheat, practically everyone says at once that there is an overproduction of wheat. If a bushel of wheat (60 pounds) exchanges for 23.22 grains of gold (otherwise named $1), and if at a later time it takes two bushels of wheat to get the dollar, we blissfully explain it as too much wheat.

"There are four factors in price, not two as is commonly supposed. This error has been the cause of innumerable business failures and of much foolish legislation. The price of wheat is the ratio of the supply of wheat and demand for it to the supply of gold and the demand for it.

"Our present measure of value is a given weight of a single commodity, the value of which changes with the supply of this commodity and the demand for it in precisely the same way as the value of any other commodity changes.

"The 'money illusion' is as thoroughly dominant in this generation as was the illusion of a flat earth about which the sun revolved in the time of Galileo. It is almost as dangerous for an economist to challenge the money illusion as it was for Galileo to threaten the foundations of civilization by saying that the earth revolved.

"For 75 years before the war, world monetary stocks of gold divided by total production of other things equaled prices in England. During the War, prices on a gold basis doubled. How did this occur? For the very simple reason that most of the world abandoned the gold standard and stopped bidding for gold. Gold, therefore moved to the few places where it was freely purchased. The low demand reduced its value, just as the demonetization of silver reduced its value.

"When the various countries attempted to return to a gold basis, the increased demand raised the value of gold. France returned to a gold basis June 25, 1928; and the gold panic was soon on. Now 31 countries have given up the effort to maintain a fixed price on gold. But they are still bidding for the world's gold supply. It is possible that they will definitely demonetize gold and stop bidding for it and make it cheap again, but this is not probable. The value of gold is determined by world supply and world demand, not by location.

"To keep pace with business, the world gold stock must increase as rapidly as the production of other commodities, or about 3.15 percent per year. But the increased use of gold in industry is about as rapid as the growth of business. In order to increase the world monetary stocks by 3.15 percent per year, it is necessary that the production be 5.6 percent of stocks, the additional amount being necessary for industrial uses. This would call for production of about 32 million ounces this year. The actual production is about three-fourths of this amount.

"The present rate of gold production would result in a gradual decline in prices even if there had been no war. But our major difficulty results from changes in the demand for gold.

"During the many years when there was a low demand for gold, our debt, tax and business structure became fairly well adjusted to a commodity price level about 50 percent above pre-war. We are, therefore, in the position of having a world gold supply of only about two-thirds the amount required to support the price level to which business is adjusted, provided the former gold-using countries continue to bid for gold. This situation results in such a frantic demand to get gold that even the gold supply which we have is used inefficiently.

"Recognizing that the low value of gold was due to low world demand which could probably be temporary, I have since 1918 been giving many lectures and writing many bulletins indicating the expectation that gold would return to its pre-war value or higher. This expectation still holds. If all the former gold-using countries return to the gold basis, and if the United States continues to maintain the present monetary standard, it is to be expected that commodity prices will average below pre-war for the next 10 years. Extremely violent price fluctuations will be expected as each country attempts to secure and maintain more than its pre-war share of the world's gold supply. Each country needs about 50 percent more than its pre-war share of the total."

"Depression--What To Do About it"
George F. Warren,
The Ohio Farmer,
April 29, 1933, Pp. 4, 12.

<u>Money Has Become Master</u>:--C. V. Gregory

"There is just one important cause of the kind of hard times we have been having during the past two years. That is the defects in our financial and monetary system. Money was invented to facilitate trade, to be the servant of business. It has become the master instead of the servant.

"That has come about because while all our business depends on money as a stable standard of value, money is in reality a very unstable and uncertain standard of value.

"A dollar is a fixed measure of value only in one respect--it will always buy 23.52 grains of gold. But what does that amount to? We cannot eat gold or wear gold. Gold will not keep us warm. Most of us could get along very well if we never saw any more gold.

"When it comes to the things we do want, the dollar is far from being a fixed measure of value.

"Wheat is our most important article of food. We eat about four bushels apiece every year, and would not very well get along without it. We measure wheat in bushels and a bushel is always the same amount. We value wheat in dollars, but a dollar's worth varies so greatly that it makes us dizzy. A dollar would buy less than half a bushel of wheat in 1919, a bushel in 1929, and three bushels in the summer of 1931. Yet each one of us needs his four bushels of wheat just as badly one year as another. It is plain that the value of wheat as human food does not change from year to year. Even its value in relation to its supply and demand does not change in any such ratio

as the price changes of the last 12 years would indicate.

"Certainly wheat in itself is much more valuable than gold, yet the dollar that will buy exactly the same amount of gold in 1931 as in 1919 will buy seven times as much wheat. It is plain that as a measure of the value of wheat, the dollar falls far short.

"A bushel basket that would hold four pecks of wheat one year and 28 pecks another could not be called an honest bushel. Neither can a dollar whose purchasing power varies in that proportion be called an honest dollar.

"In the Middle Ages the yard was the distance around the King's middle. You can imagine the difficulty of doing business with a yard that would go around Taft in 1913, shrinking to the circumference of Coolidge in 1928.

"We have been wise enough to make the yard a standard measure of length. It never varies by the smallest fraction. Some day we shall be wise enough to make the dollar a standard measure of value.

"The effect of two years of deflation has been to increase private and public debts in this country by 80 billion dollars. On present price levels, after we have paid off our debts on the basis of what those debts were worth in terms of commodities in 1929, we shall still have 80 billions more to pay. Even the most avaricious loan shark never dreamed of legalized robbery in such terms as that.

"The worst feature of the whole situation is that it is the most able and most ambitious part of the population, the producers, who are in debt. This country has been built up by people who were willing to work and borrow and take a chance. It was not built up by people who hung out a three-ball sign in front of their place of business and collected a percentage off everyone else. The nation cannot afford to crucify the most virile and valuable portion of its population.

"When I speak of the supply of money, I would have you think of it as the effective supply. The effect of money on the price level depends not only on the total quantity of money and bank credit, but also on how thoroughly it is being used--on what economists call the velocity circulation of money. At certain times the supply may have to be increased abnormally to make up for a slackening in the velocity of circulation, due to such causes as hoarding.

"When the effective supply of money and credit is in proper relation to the needs of business, the general commodity price level will remain stable, and business will go ahead in a normal way.

"When the supply of money and credit is increased faster than business needs it, the price level goes up and speculation is encouraged. Such a condition is known as inflation.

"When the supply of money and credit is too small in relation to the normal needs of business, prices go down. Business has to be cut down to fit the supply of money, and unemployment results. The future value of goods and property of every kind is uncertain. Money is more valuable than anything else, because it is increasing in value while everything else is decreasing.

Everyone wants to turn property into cash and hoard that cash. Credit shrinks alarmingly, and all the normal processes of modern business, which is based on credit, are thrown out of gear. Such a process is called deflation.

"Suppose we think of all the money and bank credit in the country as being on one end of a pair of balances, and all the goods on the other end. Take off part of the goods and that end of the balance goes up. That is, goods are scarce and prices rise. Add goods and that end of the balance goes down. Goods are abundant and so we can buy them cheaper. We are all familiar with those results when the supply of individual commodities changes.

"We are not so familiar with the fact that a change of the supply of money on the other end of the scale will have exactly the same effect. If we take off some of the money, the money end will go up and the goods will go down. That is exactly what has happened during the past two years. The goods end of the scale has gone down--the wholesale price level has dropped 28 percent--not because we put too many goods on that end of the scale, but because there was not enough money on the other.

"As a matter of fact, the amount of goods on the scale does not vary much. The total production of goods is about the same one year with another, excepting only times of world war and severe world depression. Even then the change is not so very great. Over a long term of years, the annual production of goods in the world has increased steadily at the rate of just a trifle more than three percent a year, with little variation from that amount. Production in the United States has increased steadily for many years at the rate of four percent a year.

"The change is on the other end of the scale. The effective volume of money and credit, and hence its value in terms of goods, varies greatly. That is the cause of most of our business troubles.

"In other words, stability in the value and purchasing power of the dollar will go a long way toward solving the problem of dividing up what we produce, and so give us the confidence and incentive to produce still more.

"That can be accomplished by keeping just the right amount of money on the money end of the scale; that is, providing business at all times with just the amount of money and credit it needs to keep going in a normal way. That would mean fitting the volume of money to the volume of business, instead of having to close factories and farms and throw men out of work every now and then in order to fit the volume of business to a reduced volume of money. I am sure you will agree that the former way is much the better.

"An honest dollar is a dollar that will always have the same value in terms of commodities. That does not mean that it will always buy the same amount of wheat or automobiles. It does mean that it will always have the same purchasing power in terms of the average price of all commodities--that the average wholesale commodity price will always remain at just about the same figure.

"The monetary cause of the depression is so important, that it outweighs all the others. What is still more important, the importance of the monetary factor is so great that properly handled it can overcome all the others.

"The proof of an argument is to carry it to its logical conclusion. When the printing presses of Germany were turning out marks by the billions, the increase in the supply of money was so great as to overcome all other economic factors and to force prices up to fantastic heights. The same thing would happen to the entire world if some chemist were to discover tomorrow a method of transmuting lead into gold.

"Or take it the other way around. If the federal reserve banks were to call in half the outstanding currency, practically all business would stop except that which could be conducted on a barter basis.

"I am not ignoring the non-monetary factors in the economic situation. I am saying that the monetary factor is so important that until it is brought under control we can hope only to alleviate our other problems. We cannot solve them. Once we control money in an intelligent way--make the dollar a stable measure of value--the solution of our other problems becomes not only possible, but comparatively easy."

"The Remedy"
C. V. Gregory,
The Hoosier Farmer,
December 1, 1931.

<u>Neither Wealth Nor Capital Is Short</u>:--Thomas Gibson

"To get at the present fundamental situation in the briefest possible way, we may start with the assertion that the world troubles of today are not due to a shortage of either wealth or capital. This statement calls for an explanation of the two terms, which I shall undertake to set forth in simple terms.

"First, what is wealth? Wealth is anything of value.

"Second, what is value? Value is power in exchange of goods or services. This power can take only four forms: (1) the exchange of commodity for commodity; (2) the exchange of commodity for service; (3) the exchange of service for commodity; and (4) the exchange of service for service.

"Third, what is capital? Capital is that part of wealth employed in reproduction. A man's total wealth may be, say, $100,000, of which $75,000 is invested in a home and $25,000 in a factory. Thus his capital is $25,000. If he invests only $25,000 in a home, and $75,000 in a factory, his capital is $75,000, but his wealth remains $100,000.

"It is a common error to confuse money with wealth, or with capital. Money represents a very small part of either. Money is a token--a medium of exchange. In the days of barter exchanges were effected in one of the four ways described above, without the use of money.

"Capital consists principally of machines, factories, transportation facilities, and all the other things required for reproduction. As stated, money represents only a small fraction of capital. Certainly we cannot reasonably claim a shortage of capital at a time when productive capacity is

in excess of the demand for goods. Nor can we reasonably claim a shortage of man power when there is extensive unemployment.

"If anything had occurred to greatly reduce the world wealth, capital, and man power, the situation would be more serious. The drawbacks attendant on such a disaster could only be overcome by gradual building up over a long period of time. But nothing of the kind as occurred."

"What's the Matter?"
Thomas Gibson,
Financial World,
October 28, 1931.

Inflation Is No Evil;--Andrew Shearer

"You declaim vociferously against Government issues of money and threaten your readers with all kinds of disaster, and hark back to the French Assignats and our Revolutionary War Continental money. Of course you know better than that. These moneys were issued by people with practically no Government. They were in the throes of revolution. It was the best that could be done at the time and under the circumstances. Imperfect as their money was, be it said to their credit, that in each instance it made possible the birth of a new nation, the American and the French republics.

"Why, my dear sir, go back over the annals of our own nation since the Revolutionary War, not speaking of the paper money issued and used by the colonies which made their success possible. Full legal treasury notes have been issued by the Government beginning with 1812 and again in 1837 and 1857. In neither instance is it recorded that they depreciated. They were issued to tide over panic and disaster. Of course you are familiar with the Civil War treasury notes, how they were purposely crippled in their legal tender quality, giving the gold gamblers a chance to rob the Government in its dire distress. But, imperfect as the Greenbacks were, they again were the instrument that preserved our nation intact. For instance, $346,000,000 of the much maligned Greenbacks (treasury notes) are still part of present day currency circulating at par. Under the Pittman Act of 1890 treasury notes were issued; they did not depreciate. Part of them are still in circulation. In the 1907 panic Teddy Roosevelt's threat to issue treasury notes quickly put an end to that manufactured panic. Of course you remember 1915 when the victorious German armies were marching to world conquest. The civilized world was paralyzed. The New York Stock Exchange closed. Financial panic pending. McAdoo under the Aldrich-Vreeland Act issued through the National Banks about $400,000,000 in treasury notes. You never heard anything about their depreciating and there wasn't any panic.

"Remember we started looking for values. Well, the values are still here, but prices are fading out. For want of the medium of exchange our values are rapidly being transferred from the rightful owners, the producers, to the moneyed-creditor outfit. Commodities have little value unless distributed. Money is by far the most essential instrument in distribution. That's what's the matter with the country now. The channels of commerce are clogged for want ofthe great essential tool of trade and the great distributor, money. Our Federal Reserve Bank system has apparently broken down.

"The avowed purpose of the Federal Reserve system, as stated in the original act was to furnish ample currency and credit to accomodate the business of the country. You are not doing it. There is a money-credit famine throughout the nation. You will say there's plenty of money, but security is lacking. Quite true, but what affected security? The deflation policy of the Federal Reserve Board for a year previous to the Stock Exchange debacle in October, 1929, started prices downward. Then the stock blowup sent a thrill of fear throughout the country, bringing on a wave of general fear and distrust and a money-credit panic that is still with us. You bankers and credit mongers brought this calamity on the country. It was you that destroyed our security and the fewer loans made, the poorer our security becomes. If you bankers would get together and agree to make loans to citizens or firms that you know to be honest and capable, although at the time they may not be able to return the loan--if this was done extensively, it would turn poor security into good security in ninety days, and the back of the panic would be broken. If you won't or can't do that, you have no business opposing Government issues of Treasury notes, because one or the other will have to be done and that soon if serious trouble is to be averted. Don't forget that money is the positive factor in business. It is the moving power. Money creates business, but business doesn't create money.

"You continually flaunt the bogie of inflation before a trusting public. I dare you to name a time in the whole history of the United States when excess money supply ever did any harm. I can name you twenty times when money deflation and scarcity bankrupted millions of citizens as it is doing today. The highest money volume in our whole history was during the Civil and World Wars. In both instances it ran up to about $50.00 per capita, not enough to create any particular price boom. If any harm was done it was by injudicious extension of bank credit largely for speculative purposes.

"Mr. Roberts, I'll agree to buy a new hat if you will find me an instance in world history where full legal tender paper money, properly controlled and issued by a responsible government, ever depreciated. I know of no such instance after forty years of search. It is neither honest nor decent to howl inflation every time Congress tries to relieve the present desperate situation.

"The most accurate way of arriving at a true price standard is by the Index Number published weekly by a department of Government, taking over 700 articles that enter into commerce, averaging up their wholesale price and arriving at the average price, or composite price, or index number. Governing money and credit volume by that composite price would give us an honest, stable dollar as well as at reasonably stable price levels.

"To my certain knowledge as expressed by some eastern bankers when approached about a stable dollar and stable price level they said, "Hell! We don't want that. We couldn't make any money." Is that another reason why you stick so tenaciously to the fluctuating gold standard?"

Letter by Andrew Shearer - Addressed to Mr. George E. Roberts
National City Bank,
Published - Missouri Farmer,
October 1, 1932.

Money And Credit Expansion:--Geo. F. Warren

"A gradual and slow increase in the amount of monetary circulation plus bank deposits per dollar of gold in the United States has been taking place for many years. There is no indication that the Federal Reserve system has speeded up this normal growth of circulation plus credit per dollar of gold. Whenever the normal is much exceeded, a reaction occurs.

"Some persons believe that the Federal Reserve system is to blame for the decline in prices and that there is gold enough to maintain pre-deflation prices if credit were properly managed. The evidence indicates that a rise in the value of gold was inevitable with the return of the world-wide demand for it. Credit management might have prevented a part of the stock market boom. No evidence has been found that credit management could have prevented a decline in commodity prices, or that the 1929 commodity prices can be restored by credit management and still maintain the present price of gold.

"By the management of credit, it is possible to throw commodity prices out of line with gold by a limited amount. There is no indication that any permanent change in their relationship can be accomplished in this way. Over-expansion of credit brings on a reaction, and so does over-contraction of credit. The policy of the federal government in 1932 was based on the theory that prices could be raised by credit. The Reconstruction Finance Corporation lent money to many agencies in the expectation that credit expansion by the Reconstruction Finance Corporation and the Federal Reserve banks would raise prices and restore equities back of securities and start business activity. The policy did check contraction, at least temporarily; but only a rise in the price structure can stop bankruptcies and start employment. It is not possible to expand credit sufficiently to do this and still maintain the present price of gold.

"The compensated dollar is a proposal to establish by law a currency redeemable in gold, but the weight of gold for which the dollar would exchange would vary with the index number of wholesale prices of all commodities; that is, if prices rose 1 percent, the weight of gold for which the dollar would exchange would rise one percent. If prices fell one percent, the dollar would exchange for one percent less gold. The gold would be kept in bars in the Treasury and central banks. This would keep the dollar stable in buying power for the average of all commodities.

"The dollar has to be rubber either as to weight or as to value. It cannot have a fixed weight and also have a fixed value. This proposal would give it a fixed value and a rubber weight. It raises the fundamental question as to whether a medium of exchange should be fixed in weight or fixed in value.

"A scientific money is one with a constant buying power for all commodities rather than a fixed weight of one commodity. Our whole tax and debt structure rests on commodity prices. If this structure is to be kept sound either for the creditor or the debtor, it is commodity prices that need to be kept stable, not the weight of gold for which a dollar will exchange."

"Depression--What To Do About It"
George F. Warren,
The Ohio Farmer,
May 27, 1933.

PRICES

1914 Prices Are Not Normal:--W. W. Case

"The restoration of the farmer's purchasing power to the August, 1909 - July, 1914, level -- the declared purpose of the farm bill -- is based on the premise that that level was normal. Such an assumption is, to say the least, open to grave question. Those five years immediately before the war were notoriously marked by increasing complaints about the high cost of living. Although wages were rising, the advance in the cost of the basic requirements of life seemed to be steadily outrunning the increases in income. The wholesale price index of the United States Department of Labor shows that this disproportion was not an illusion; that prices for farm products, relative to prices in general, were at the highest levels in many years.

"The assumption that August, 1909 - July, 1914, represents a "normal" period as regards the relation of prices for farm products to the general price level is not borne out by the evidence. Such a "parity," if actually achieved and maintained, would arbitrarily freeze our price structure to a price relationship in no way typical of past years and place the farming population of the country in a permanent position of advantage relative to the rest.

"The attempt to restore the relationships that held between agricultural prices twenty years ago, and between them and other prices, and to freeze them at that point, whether successful or not, is certain to be extremely disturbing to the entire economic structure of a nation in which both demand and supply conditions have been greatly altered."

"The Fiction of 1909-1914 Price Parity"
W. W. Case,
The Annalist,
April 14, 1933.

Parity Is Unnecessary:--C. V. Gregory.

"If the whole country were on a cash basis, it would make no difference whether the price level were high or low. We could then stabilize prices at the present average level as well as any other. Business can be conducted just as well and prosperity be just as real and lasting on a low price level as on a high price level, and vice versa. There is no merit in the argument that we cannot be prosperous except on a prewar price level, any more than there is in the statement that we cannot restore prosperity except by going back to the price level of 1919. We can be prosperous on any price level, once we get adjusted to it. The rub comes in getting adjusted to it. That adjustment, whether it is up or down, causes much cruel suffering and losses running into the billions. A large part of the loss is never recovered by anyone."

"The Remedy For Hard Times"
C. V. Gregory,
The Hoosier Farmer,
December 1, 1931. P. 10.

Ratio Of Raw And Finished Goods Prices:--Barnabas Bryan, jr.

"The failure of all prices to go up and down together is one of the major causes of depression. In the present depression and in that of ten years ago, therefore records the fact that in both periods the prices of raw materials fell much further than those of finished goods. Or the matter may be expressed differently by saying that in the two depressions the price dislocation was due to the failure of finished goods prices to fall in proportion to the drop in raw material prices.

"For three years we have attempted to lower the curve by raising raw material prices. We have flooded the country with credit to carry goods and prevent insolvency, yet we have failed to raise farm or other raw material prices. This is because raw materials are at the mercy of the world-wide application of the law of supply and demand, while the world continues to raise more wheat and hogs, produce more copper, and so on.

"Reducing finished goods prices will lower the curve just as effectively as raising raw material prices, for the curve is the ratio of the two. This can be done at the will of the manufacturer and the American people themselves, through cost deflation. The flood of credit by which we have tried to raise raw material prices has been effective in sustaining finished goods prices,

because it has enabled industry to stay solvent while reducing production and shutting down plant in order to control the supply of finished goods and thus to maintain the prices of finished goods.

"We do not like to reduce the price of finished goods and thereby raise the volume of business, because this can be done only by reducing expenses all along the line. The elements which make up the spread represented by the curve are salaries and wages, taxes and government extravagance, rents, freight rates, too many bonds, graft, inefficiency, speculation and excessive interest payments on bonds and mortgages. Anybody who is employed or holds office is interested for selfish reasons in sustaining one or another of these things; this prejudice prevents the decline of finished goods prices.

"When we yield to economic law and allow the price of finished goods to come down, raw material prices will rise to meet them, and the depression will then come to an end."

"The Price Dislocation That Retards Prosperity"
Barnabas Bryan, Jr.,
The Annalist,
February 10, 1933.

<u>The Comparative Costs Of Reflation and Deflation</u>:--George F. Warren

"The price level must be raised to the debt level, or the debt level must be lowered to the price level. This is a matter of grim reality that cannot be cured by psychology, confidence, or government landing.

"We must choose between deflation and reflation. No country likes to change its monetary system, nor does any country like to go thru wholesale bankruptcies and continue to have millions of unemployed. Our choice is not between two desirable things. Merely raising the well-known objections to either procedure does not commend the other. The question is: 'Which is worse?'

"If we wish to go thru with deflation, we may as well proceed with the bankruptcies, foreclosures, and public defaults and get them over with. Merely postponing by lending some money or attempting to hold up the price of this or that thing, will accomplish very little.

"If deflation is completed, the following are some of the innumerable adjustments yet to be made.

"At the new price levels, public and private debts are nearly equal to the national wealth. These debts will have to be reduced. The only plan thus far proposed for reducing them is bankruptcy and private adjustment. This will probably require three or four years for the major adjustment and a generation to complete the process. While the more serious part of this is taking place, bankrupt homes, farms, and other properties will always be for sale at less than new costs of construction, regardless of how low these costs may fall. Therefore little building of any kind is to be expected. Consequently most of the basic industries will operate at low capacity and severe unemployment will be continuous. Business cycles in such a period will be suppressed cycles.

"The vigorous efforts to reduce taxes will do well if they succeed in making cuts equal to the new taxes necessary to feed the unemployed. Some shifting from real estate to other forms of taxation may occur.

"Public debts will increase and some of the government units will find it impossible to meet their obligations. It will be years before taxpayers get these debts paid.

"Adjusting a price level down requires much more time than adjusting it up. It is not difficult to adjust public and private debts to a higher price level, but it is very difficult to reduce them. To adjust debts up merely requires that the usual purchases be made at the new price level with the usual percentage of credit transactions. To adjust debts down means the slow process of bankruptcy. Bankruptcy acts like a house of cards--each bankruptcy starts another.

"Bank deposits will decline because of the reduced amount of business and the lower prices at which business is done and the tendency to use cash rather than checks. This latter movement is encouraged by fear of banks, lack of banks, lower interest payments on deposits, charges for checks, taxes on checks, and high postage rates. Many further bank failures will occur.

"Because of severe unemployment, some workers are working for extremely low wages, but it is not to be expected that the general wage level will decline to the price level. The long-time tendency is for wages to rise as the output per worker increases. Whenever the debts are liquidated so that business can proceed, wages will be far above prewar.

"Interest rates will be much below prewar for safe securities, but a large part of the business will be on such a precarious basis that, for some years, rates for agriculture and industry may be high. Interest payments on bank deposits will be decidedly reduced. It will be impossible for life insurance companies, universities, hospitals and other institutions that depend on investments to keep up their incomes. Life insurance rates will probably rise. The average size of policies will be reduced.

"The size of fire insurance policies will be reduced, losses will be increased, and rates probably will be raised.

"Innumerable prices which have not declined will fall. Some of these are freight rates, telephone charges, price of newspapers, doctors' fees, dentists' fees, and telegraph charges.

"Large number of corporations will disappear by bankruptcy or by combination to avoid bankruptcy.

"Wholesale writing down of the capital of industrial plants, farms, and city real estate will be necessary.

"Costs of distribution will gradually decline so that prices paid to farmers will again come into adjustment with the prices which they pay. Much of this can be done in a half-dozen years. Probably it can be completed in a generation.

"Some basic commodity prices have fallen too low even for the conditions and will rise.

"Maintaining the present price of gold means bringing the whole debt and price structure down. To attempt to hold each individual thing up and yet bring down the whole is like sinking a ship but attempting to hold up each rivet and doorknob in it.

"Nothing is gained by minimizing the gravity of the situation. Repeated confidence statements cannot change the facts. They discredit leadership and cause losses to innumerable individuals thru false hopes. While the country has never before experienced as great deflation as we are now attempting, we have had experiences which indicate the probable length of the deflation disease. It usually takes six or seven years to go far enough with the bankrupting process so that construction can begin, and it takes many more years fully to complete the process.

"If we are going thru with deflation, debt adjustment commissions are desirable to operate for a number of years. The legal system of writing down debts works badly enough when only a few bankrupt properties are thrown on the market. It destroys values for both the creditors and lenders when applied in a wholesale way. If the government lending agencies wish to lend more money they will do more good by taking up the safer part of the underlying mortgages in such cases than by direct loans to the lending corporations, which do not get at the root of the trouble.

"The effect of rising prices is the same regardless of the cause. If for any reason the price level is restored, it does not mean that all prices will rise equally. Many prices have not declined, or have declined little. Restoring the price level would relieve them of the necessity of declining. The major ones are debts and taxes. If commodity prices were raised, buying would begin because rising prices cause buying. Jobs would be available. Houses would be in demand. The debts and taxes on the houses and farms could be paid, and the debts would not have to be cut by bankruptcy.

"The former amount of life insurance would be desired.

"Many charges, such as freight rates, doctors' fees, telephone rates, and the like, are already adjusted to the price level that would be established. They would not rise, but would be relieved from falling.

"Costs of distribution would rise very little. Therefore prices paid to farmers and other producers would rise much more than retail prices. This would bring farm prices into adjustment with other prices. It is sometimes said that two steps are necessary, first, restore the price level, and second, restore the relationships of farm prices to other prices. If the first step is taken the second follows automatically.

"Prices of basic commodities such as copper, corn, wheat, and cotton, would rise very decidedly because they are so far below the price level that would be restored.

"The declines in values of homes and farms would be stopped.

"In general, the prices that have not yet declined would be relieved from declining, and those that have declined would be restored.

"Since the general level of commodity prices is the reciprocal of the value of money, there is no way to raise the price level except as the value of money declines, or is lowered by law."

"Depression--What To Do About It"
George F. Warren,
The Ohio Farmer,
May 13, 1933. P. 8.

PRODUCTION

Too Much Has Been Produced:--Lane W. Lancaster

"The best estimates now available indicate that the number of persons actually engaged in farm production is not greatly in excess of 25,000,000. This means that the labor of 25,000,000 people is sufficient to produce food for approximately 125,000,000, and also a surplus which exports are agreed is likely to be permanent feature of our agricultural output. Theoretically, there are two possible ways to dispose of this surplus. The first depends upon the ability of the farmer to persuade the city-dweller to consume more of his products. Unfortunately, the demand for food products is inelastic since the human stomach has a limited capacity. Though large numbers of people are still unable to obtain enough food, any greater consumption of foods and fibers depends upon a more equitable distribution of income among the urban population than has yet been achieved.

"The second possible market for the farm surplus is abroad. But in countries not yet industrialized, such as India and China, there is insufficient purchasing power to absorb American products at prices which the American producer with his relatively high standard of living could accept. Moreover, even if the sale of products abroad were feasible from this point of view, foreign goods would have to be taken in payment and these would come into direct competition with domestic interests. Those affected would have sufficient political power to prevent by tariffs and commercial regulations the introduction of such products into the American market. Any plan to unload the surplus abroad thus seems doomed to fail.

"The Census Bureau tells a story that is not reassuring for the future domestic market, at least if it is to be geared to the old rates of population growth. The decade 1920-1930 showed a smaller rate of increase in population than any other similar period except that of 1910-1920, when the influenza epidemic and the temporary stoppage of immigration resulted in an even slower rate. Since 1920, however, immigration has been severely restricted and the birthrate has fallen abruptly from about 24 to less than 19 per thousand. The virtual end of immigration and the limitation of births are almost certain to be permanent, with the probable result that a relatively stationary population of from 150,000,000 to 175,000,000 will be reached in from twenty-five to forty years.

"What this means to agriculture is obvious. The farmer now possesses a plant capable of supplying the entire domestic demand for foods and fibers for the remainder of the present century, even if technological advances are halted and no additional land is brought under cultivation. Already there are apparently too many rather than too few persons employed in farming. The problem is not, as some in the hysteria of the depression seem to think, that of getting more people on the land--where they can at best maintain only a subsistence level of life--but rather of getting people off the land."

"Sidestepping the Farm Problem"
Lane W. Lancaster,
Current History,
May, 1933. Pp. 164, 165.

There Is No Evidence of Overproduction:--George F. Warren

"Thruout history, a decline in prices due to monetary causes has always popularly been attributed to overproduction, without stopping to look at the facts. For 75 years before the war, the production of food and feed crops in the United States increased at the compound rate of 3.02 percent per year. From 1915-29, it increased only 0.6 percent per year. If correction is made for the reduced number of horses and mules, the rate of increase is 1.17 percent per year. We have had surpluses and shortages of some crops owing to the weather, but there is no evidence of general overproduction.

"Total production of all commodities per capita in the United States increased for 75 years before the war at the rate of 1.73 percent per year, but from 1915-29 increased only 0.64 percent.

"For 75 years before the war, world physical volume of production of all basic commodities rose 3.15 percent per year. Since 1915, the rate has been distinctly less. Instead of the phenomenal increase in output which is popularly imagined, the rate of increase in output has declined.

"We have no indication of any sudden increase in total production of all commodities per capita at any time in history. There are sudden decreases, such as occurred in 1921 and 1931 when millions of workers were unemployed."

"Depression--What To Do About It"
George F. Warren,
The Ohio Farmer,
April 29, 1933, P. 1.

Production Must Be Limited:--Arthur Capper

"If . . . the farmers of the United States are to produce only enough foodstuffs to meet the demands of the domestic markets, plus perhaps limited exports of cotton, tobacco and a few other items, then we face the problem of limiting production to domestic needs. These are not pleasant alternatives. Yet I think they are facts which lead us directly into a number of realities that we must face."

"Finding Facts and Facing Realities"
Arthur Capper,
Capper's Farmer,
April, 1934, P. 1.

Production Outstripped Consumption:--International Commission Of Agriculture

"The general Assembly desires without fail to draw the attention of governments and the public to the cardinal point that the world agricultural crisis is due to the fact that production and the increased means of securing production have outstripped both present consumption possibilities and population increases, while purchasing power has meanwhile declined."

"Statement of the International Commission of Agriculture"
International Commission of Agriculture -- 1932.

Overproduction Is Not The Cause of Depression:--George F. Warren

"The general idea is that since prices have fallen, it must be due to overproduction of everything. It should be remembered that prices are a ratio of the supply of and the demand for commodities to the supply of and demand for money. Enormous variations have occurred in money and credit, but the total production of the United States and the world, decade after decade has increased at a very steady and uniform rate. It is now very low compared to normal, probably the lowest compared to a normal that has ever occurred.

"The long time trend in world production of commodities increases at about three percent per year compounded. It is this normal and steady increase decade after decade that takes care of the increase in population and allows for a gradual increase in the standard of living, so that we may have automobiles, roads, electric lights, and bath tubs.

"The production in the United States in 1929 was about four percent above normal; last year it was about 15 percent below normal; this year it is again very low. Production is of course low when millions are not working.

"There is some over-production of cotton at the present time and great under-consumption due to the panic. This accounts for cotton being lower than other things, but it does not account for the general level of all prices. Last year we had an extremely short supply of corn and a small surplus of wheat. This accounts for the fact that corn and wheat were about the same price. It does not account for the fact that corn was extremely cheap. It is not over-production but money and credit."

"Present Business Situation" - Purdue Agriculturist
Dr. G. F. Warren,
November, 1931.

Not Production But Distribution!--C. V. Gregory; Henry I. Harriman

"A common sense view of the situation would lead us to the conclusion that the more we produce, the more we should have. There should never be any hard times except as a result of laziness or some natural disaster, such as a nation-wide crop failure.

"All through recorded history mankind has struggled with one problem that has overshadowed all the others. That is the problem of producing enough to satisfy his wants. During the past 50 years we have solved that problem. In this machine age we have learned to produce so abundantly and with so little expenditure of human effort that production is no longer a problem. We can easily produce enough to provide a high standard of living for everyone, and still have plenty of time left to enjoy life.

"Our trouble is that we have not learned to divide up what we produce.

"We fill warehouses with grain and clothing and manufactured articles. Then we stop working and go hungry and cold, denying many of the necessities of life to millions of our people. There is no lack of goods, or of ability to produce twice as many more."

"The Remedy For Hard Times"
C. V. Gregory,
The Hoosier Farmer,
December 1, 1931.

"Through the lifting mists of the depression this fact is appearing as of paramount importance, namely, that we erred, not on the side of making too much, but on the side of distributing too little of the products of labor to the ultimate consumer. We have preached too insistently the gospel of production and heeded too little the gospel of consumption. We have diverted too much of the vitalizing stream of national income to the development of ever-increasing plant capacity and momentarily let our purchasing capacity languish. Power to increase the production of goods must be accompanied by an actual increase in consumers' ability to buy goods else business stagnates, low prices prevail and unemployment is with us. In fact, we are discovering that if Dives is to remain rich, Lazarus must not remain poor."

"The Essentials of Economic Security"
Henry I. Harriman,
Address--Meeting American Farm Bureau Federation,
December, 1932.

WAR

The Cause Of Depression:--E. A. Stokdyk

"The World War seems a distant event to be responsible. But if one traces the events during and since the War, one sees that the War played a large part. During the War decade the land area in crops in the United States was expanded approximately 45 million acres. The area in crops in other countries distant from the center of war activities such as Argentina, Australia, and Canada also expanded rapidly. These countries were called upon to feed Europe. The slogan "Food will win the war" was accepted and executed.

"Following the war, Europeans beat their swords into ploughshares. Armies returned to the fields. Strenuous efforts were made to become agriculturally self-sufficient. Italy, for example, conducted a wheat war the purpose of which was to stimulate wheat production. Numerous countries levied tariffs on agricultural products; some offered bounties and many established domestic product quotas. The end is not yet in sight as is evidenced by the almost daily announcements of new restrictions and regulations covering agricultural imports into Europe.

"With nearly one-fourth of the population suffering a severe decline in purchasing power, it is a wonder that industrial prosperity continued as long as it did; because prosperity consists in an abundant flow of goods and services among all groups."

"Who Is Inefficient Now?
E. A. Stokdyk,
California Cultivator,
December 3, 1932.